

# Free Care

Answering your questions about the  
Massachusetts Uncompensated Care Pool

## Notes

This newsletter is intended to answer questions about Free Care eligibility, and to help hospitals and community health centers understand the free care eligibility regulation, 114.6 CMR 10.00.

If you have questions about free care eligibility, please contact the Division of Health Care Finance and Policy at 617-988-3222.

Please share this newsletter with everyone at your facility who assists patients with free care applications.

### *Emergency Bad Debt*

Federal law requires hospitals to provide care to all patients who present for unscheduled treatment, regardless of insurance status. In recognition of this requirement, the Division of Health Care Finance and Policy (DHCFP) allows hospitals to bill emergency bad debt to the Uncompensated Care Pool if an account meets all of the following conditions:

- the patient must be uninsured for the services provided;
- the patient must have received emergency care as defined in DHCFP regulation 114.6 CMR 10.02;
- the patient's condition must be determined by the responsible physician to require emergency care; and
- the hospital establishes that appropriate collection action was taken pursuant to DHCFP regulation 114.6 CMR 10.05 which includes attempts to obtain financial information and/or a completed free care application from the patient.

### *Bad Debt Not Billable to the Uncompensated Care Pool*

The following types of charges may *not* be billed to the Uncompensated Care Pool under emergency bad debt:

*Accounts that the hospital has not tried to collect for an extended period of time.*

In order to bill the Pool, providers must be able to document continuous collection action from the date of service until the date of billing the Pool. Continuous actions are those done on a regular basis, for example weekly, monthly or quarterly. Therefore, a 120 day gap in collection actions is considered a lapse in continuity. Collection action is defined in DHCFP regulation 114.6 CMR 10.02 and includes actions taken by a collection agency or by an attorney on behalf of the hospital.

*Copayments and deductibles for insured patients who received emergency services.*

However, copayments and deductibles may be billed to the Pool under the appropriate free care eligibility category (full free care, partial free care, or medical hardship) if the patient submits a free care application with documentation and is determined to be eligible for free care.

*Partial free care deductibles for patients who received emergency services and who were approved for partial free care, but did not pay the deductible.*

In this case, the deductible becomes the hospital's bad debt, and it is not billable to the Pool.

*Emergency services provided to insured patients when the insurer rejects the claim, including services provided to patients who receive emergency care as a result of a motor vehicle or workplace accident.*

The services may be billed to the Pool under the appropriate free care eligibility category (full free care, partial free care, or medical hardship) if:

- the hospital can document that the claim was properly submitted to the insurer;
- the insurer does not cover these services;
- the patient completed a free care application with documentation; and
- the patient is determined to be eligible for free care.

### *2001 Federal Poverty Income Guidelines*

The 2001 Federal Poverty Income Guidelines have been released, and are effective as of February 16, 2001. All providers must begin using the new guidelines by April 13, 2001. Depending on your MLINK setup, either these figures will be updated automatically in your electronic application, or EDS will contact you to assist you in updating your software. If you have any questions about the guidelines, please contact the free care help line at 617-988-3222. Please note that the new Federal Poverty Income Guidelines for 2001 are included on the reverse side of this edition of *Free Care Notes*.

Argeo Paul Cellucci  
Governor

Jane Swift  
Lieutenant Governor

William D. O'Leary  
Secretary, Executive Office of  
Health & Human Services

Division of Health Care  
Finance and Policy

Two Boylston Street  
Boston, MA 02116  
617-988-3100

Louis I. Freedman  
Commissioner

Staff for this publication:

Beth LaFortune Gies  
Katharine London  
Heather Shannon

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Division of Health Care  
Finance and Policy

# Healthy Start

Healthy Start, administered by the Department of Public Health, pays for prenatal services for low-income women. It also pays for some postpartum services and for some services for newborns. MassHealth Limited pays for emergency services including *labor and delivery services, false labor, miscarriage, and other conditions that require immediate treatment*. MassHealth Limited is for people who, under federal law, have an immigration status that prevents them from receiving more services. As the Commonwealth's payer of last resort, the Uncompensated Care Pool should be billed only for services not covered by either Healthy Start or MassHealth Limited. The Division of Health Care Finance and Policy strongly encourages completing the Massachusetts Benefits Request (MBR) form at the same time as the Healthy Start application, or assisting Healthy Start members in applying for MassHealth Limited if they have not already done so.

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 Division of Health Care Finance and Policy  
 Two Boylston Street  
 Boston, MA 02116-4704

 **Are you the correct contact person at your site for this information? Are your name and address correct?**  
 Please note any changes directly on this label and send to the address above or fax to Dorothy Barron at 617-727-7662.

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This newsletter is intended to answer questions about free care eligibility, and to help providers understand the new free care eligibility regulation, 114.6 CMR 10.00. If you have additional questions about free care eligibility, please contact the Division of Health Care Finance and Policy at 617-988-3222.

## 2001 Federal Poverty Income Guidelines

Family Size	200%	250%	300%	350%	400%
1	\$17,180	\$21,475	\$25,770	\$30,065	\$34,360
2	\$23,220	\$29,025	\$34,830	\$40,635	\$46,440
3	\$29,260	\$36,575	\$43,890	\$51,205	\$58,520
4	\$35,300	\$44,125	\$52,950	\$61,775	\$70,600
5	\$41,340	\$51,675	\$62,010	\$72,345	\$82,680
6	\$47,380	\$59,225	\$71,070	\$82,915	\$94,760
7	\$53,420	\$66,775	\$80,130	\$93,485	\$106,840
8	\$59,460	\$74,325	\$89,190	\$104,055	\$118,920
Each additional person	add \$6,040	add \$7,550	add \$9,060	add \$10,570	add \$12,080

2001 Federal Poverty Income Guidelines are effective February 15, 2001.  
 All providers must begin using the new 2001 guidelines by April 13, 2001.